

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:

MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*,
Debtors.

)
) Chapter 11
)
) Case No. 23-00623 (TJC)
)
) Jointly Administered
)
) **Related to Docket No. 259**

**STAFFING REPORT OF TONEYKORF PARTNERS, LLC FOR
THE PERIOD FROM JANUARY 1, 2024 THROUGH JANUARY 31, 2024**

In accordance with the *Order Authorizing Debtors to Retain ToneyKorf Partners, LLC as Interim Management of the Debtors, Effective as of the Petition Date Pursuant to Section 363 of the Bankruptcy Code, and Granting Related Relief* [Docket No. 259] (the “Retention Order”) and pursuant to the terms of the engagement letter dated March 30, 2023 (the “Engagement Letter”), ToneyKorf Partners, LLC (“ToneyKorf Partners”) hereby submits its staffing report (the “Staffing Report”) for the period of January 1, 2024 through January 31, 2024 (the “Staffing Period”), and in support of such report respectfully represents:

1. The Debtors appointed Mark E. Toney to serve as the Chief Restructuring Officer, James R. Porter to serve as the Chief Financial Officer, and Christopher P. Karambelas to serve as the Chief Information Officer and Chief Operating Officer as set forth in the Engagement Letter. The Engagement Letter further states that ToneyKorf Partners will provide additional personnel to assist Mr. Toney, Mr. Porter, and Mr. Karambelas with the restructuring efforts and other business of the Debtors (the “Temporary Staff”), as set forth more fully in the Engagement Letter.

2. The Retention Order provides that ToneyKorf Partners shall file with this Court a report of staffing on the engagement for the previous month and provide notice to the U.S. Trustee

and any official committee. *See* Retention Order, ¶ 3(c). Such report shall include the names of and functions filled by the individuals assigned. *See id.*

3. Attached hereto as **Exhibit A** is a list which includes the names of the ToneyKorf Partners personnel serving the Debtors during this Staffing Period, along with their corresponding functions.

Dated: February 20, 2024

/s/ Mark E. Toney

Mark E. Toney
Senior Managing Director
ToneyKorf Partners, LLC

Dated: Cedar Rapids, Iowa
February 20, 2024

NYEMASTER GOODE, P.C.

/s/ Roy Leaf

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Counsel for Debtors and Debtors-in-Possession

CERTIFICATE OF SERVICE

The undersigned certifies, under penalty of perjury, that on this February 20, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of the Chapter 11 Cases.

/s/ Roy Leaf

EXHIBIT A

**ToneyKorf Partners, LLC
Staffing Report
January 1, 2024 – January 31, 2024**

| Professional | Title | Function |
|---------------------|--------------------------|---|
| Mark Toney | Senior Managing Director | <ul style="list-style-type: none"> – Chief Restructuring Officer – Leads and manages all day-to-day operations of the Debtors – Coordinates and assists with transition planning of operations to Buyer – Supports governing bodies (Boards) of the Debtors and affiliates – Leads the restructuring, asset sales, liability assessments, and planning of the Debtors – Coordinates the sale process, including due diligence, discussions with key parties, and coordinating review of the joint ventures – Continues to negotiate the assumed liabilities by the Buyer – Coordinates and participates in Action Items meetings for closing the transaction – Oversees and reviews cash management for disbursements and uses of cash for allocation between the Debtors' and the Buyer's respective responsibilities – Leads negotiations of the Transition Support Agreement with the Buyer – Oversees joint communications between the Debtors and the Buyer with employees, physicians, and other key stakeholders – Negotiates and manages litigation and settlement plans with key vendors for the sale process, including Altera – Prepares for various court hearings on contested matters, resolved through negotiations – Oversees and approves changes to employee benefits and management of key plans – Reviews and directs asset recovery and administrative claims analysis – Participates in and outlines the creation of a Plan of Liquidation – Assists counsel with objections and litigations by key stakeholders |
| James Porter | Managing Director | <ul style="list-style-type: none"> – Chief Financial Officer – Manages the Debtors' financial and treasury functions, including coordinating cash flow efforts, overseeing budget and actual cash flow, operating loss, funding requirements, and other needs as necessary – Provides oversight of bankruptcy reporting – Collaborates and supports the asset sale process in conjunction with the Debtors' professionals, including meeting the closing requirements in the asset purchase agreement, and valuation of the remaining additional assets (accounts receivable, joint ventures, Real Estate) – Finalizes transition plans for Buyer, prepares for closing transaction, coordinates and directs data requests, and follows up on open items – Oversees, plans, and assists with certain aspects of the Debtors' wind-down and post-sale operations – Oversees communication with Bondholders', Unsecured Creditors', and Pension Committee advisors |

| Professional | Title | Function |
|------------------------|-------------------|--|
| | | <ul style="list-style-type: none"> – Analyzes Plan of Liquidation distribution – Testifies in Bankruptcy Court regarding creditor matters |
| Christopher Karambelas | Managing Director | <ul style="list-style-type: none"> – Chief Information Officer / Chief Operating Officer – Oversees information technology systems, reporting, and addresses various IT security matters – Oversees facilities, environment of care, engineering, and security for the Debtors, addressing urgent facilities issues related to inclement weather, along with addressing safety and security incidents – Addresses bankruptcy-related issues with vendors and contractual obligations, including analysis of contract assumptions and rejections, and various cure schedules – Finalizes transition plans for Buyer – Addresses litigation matters regarding the EMR implementation – Prepares non-transitioning assets for liquidation/sale |
| Peg Brubaker | Director | <ul style="list-style-type: none"> – Vice President of Human Resources – Oversees human resources staff, including employee relations, HRIS, and recruitment – Oversees Benefit Specialist's responsibilities and performs duties as required – Responds to defined benefit pension inquiries, provides and processes pension commencement requests – Oversees employee-related transition plans for Buyer – Provides daily briefings and clarification to the Debtors' leadership team regarding employee transition "pain points," issues, and future plans – Participates in integration meetings with Buyer and Debtors' leadership – Leads transition of Debtors employees into the Buyer's operations – payroll, compensations, benefits, roles and titles, and all related communications – Participates in meetings with professionals from the Defined Benefit Pension Committee – Provides oversight of Community Relations and Marketing – Participates in MarCom transition meetings with the Buyer |
| Jamy Houck | Director | <ul style="list-style-type: none"> – Manager of Administration and Communications – Participates in meetings on transition and oversees the management of key workstreams – Assists, reviews, and edits all communication plans and deliverables for key stakeholders, including employees, patients, Board of Directors, and the press – Oversees case administration, and initial preparation of the monthly invoice for December, and the staffing report for December |

| Professional | Title | Function |
|------------------|------------------|---|
| Dennis Rodriguez | Director | <ul style="list-style-type: none"> – Finance Manager – Supports bankruptcy-related matters, including claims analysis, contract reviews, cure payment analysis, and other financial and bankruptcy deliverables – Reviews and reconciles open purchase orders, and prepares various financial and operational analyses and ad hoc projects as needed |
| Kara Borodkin | Paraprofessional | <ul style="list-style-type: none"> – Treasury and Finance Manager – Supports cash and liquidity management activities, including assisting with the preparation and maintenance of debtor-in-possession cash flow forecasts and variance analyses, and monitoring compliance with cash collateral requirements – Works with Debtors' internal finance team to manage relationships with vendors – Prepares various weekly, monthly, and ad hoc financial and operational reports, including bankruptcy MOR filings, budgeting, and cash flow reports, and assists with due diligence requests from other parties, including the UCC's financial advisors, Bondholder's advisors, and Buyer's advisors – Assists with preparing for closing and transition plans for Buyer, including managing multi-party data requests, cash flow reconciliations, and variance reporting, along with discussions on operating loss funding requirements and performance – Works on bankruptcy administration items, including §503(b)(9) claim review, contract review for assumption/rejection, provides support for vendor cure objections and works with counsel on same |